

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 184 AND 264
NEW HAVEN, INDIANA

January 1, 2004 to December 31, 2004

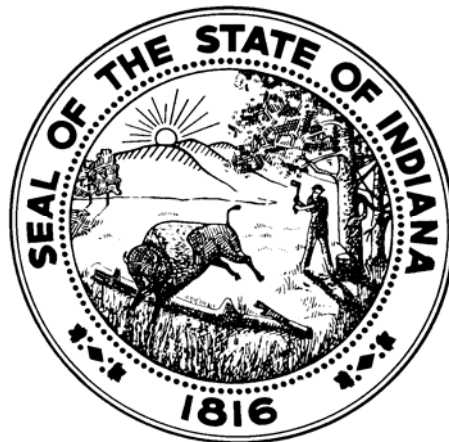


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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|-------------------|----------------------|
| Chairman, Bureau of Motor Vehicles Commission | Gerald Coleman | 01-06-02 to 02-29-04 |
| | Mary DePrez | 03-01-04 to 01-09-05 |
| | Joel Silverman | 01-10-05 to 01-11-09 |
| | | |
| Branch Manager | SuzAnne M. Runge | 01-01-04 to 06-25-05 |
| | Vacant | 06-26-05 to 10-01-05 |
| | Tersina L. Osborn | 10-02-05 to 12-31-05 |



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Numbers 184 and 264 (Branches) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branches for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 9, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 184 AND 264
 NEW HAVEN, INDIANA
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
 January 1, 2004 to December 31, 2004

| | Branch Number 184 | Branch Number 264 | Totals (Memorandum Only) |
|------------------|----------------------|----------------------|--------------------------------|
| Collections: | | | |
| Registrations | \$ 19,075,255 | \$ 353,479 | \$ 19,428,734 |
| Titles | 2,432,348 | - | 2,432,348 |
| Drivers licenses | 444,861 | - | 444,861 |
| Watercraft | 223,602 | - | 223,602 |
| Miscellaneous | <u>184</u> | <u>-</u> | <u>184</u> |
| Totals | <u>\$ 22,176,250</u> | <u>\$ 353,479</u> | <u>\$ 22,529,729</u> |
| Distributions: | | | |
| State fees | \$ 7,268,167 | \$ 67,436 | \$ 7,335,603 |
| County tax | 13,176,018 | 257,170 | 13,433,188 |
| Commission fees | <u>1,732,065</u> | <u>28,873</u> | <u>1,760,938</u> |
| Totals | <u>\$ 22,176,250</u> | <u>\$ 353,479</u> | <u>\$ 22,529,729</u> |

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 184 AND 264
NEW HAVEN, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

Note 4. Self-Service Terminal

This report contains financial and statistical information for New Haven License Branch Number 184 and New Haven License Branch Number 264, a self-service terminal (SST). The manager of New Haven License Branch Number 184 is responsible for maintaining the SST.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 184 AND 264
 NEW HAVEN, INDIANA
 STATISTICAL INFORMATION
 January 1, 2004 to December 31, 2004

| <u>Transactions Processed</u> | <u>Branch Number 184</u> | <u>Branch Number 264</u> | <u>Totals (Memorandum Only)</u> |
|------------------------------------|------------------------------|------------------------------|---|
| Vehicle registrations: | | | |
| Passenger | 106,757 | 2,619 | 109,376 |
| Motorcycle | 3,546 | 89 | 3,635 |
| RV (housecar) | 1,271 | 20 | 1,291 |
| Light truck | 32,072 | 617 | 32,689 |
| Other truck | 2,387 | 5 | 2,392 |
| Farm truck | 323 | 1 | 324 |
| Tractor | 292 | - | 292 |
| Trailer | 14,094 | 132 | 14,226 |
| Semitrailer | 3,481 | - | 3,481 |
| School and church bus | 108 | 1 | 109 |
| Other bus | 34 | - | 34 |
| Other | 98 | - | 98 |
| Total vehicle registrations | <u>164,463</u> | <u>3,484</u> | <u>167,947</u> |
| Drivers licenses and permits: | | | |
| Drivers licenses/learners permits | 19,369 | - | 19,369 |
| CDL licenses/CDL permits | 1,086 | - | 1,086 |
| Placards | 2,806 | - | 2,806 |
| Other | 12,098 | - | 12,098 |
| Total drivers licenses and permits | <u>35,359</u> | <u>-</u> | <u>35,359</u> |
| Titles: | | | |
| Vehicles | 36,930 | - | 36,930 |
| Watercraft | 590 | - | 590 |
| Total titles | <u>37,520</u> | <u>-</u> | <u>37,520</u> |
| Total watercraft registrations | <u>2,589</u> | <u>-</u> | <u>2,589</u> |

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 184 AND 264
NEW HAVEN, INDIANA
EXAMINATION RESULTS AND COMMENTS

DEPOSIT COMPOSITION

The composition of cash, checks and credit card totals on the cash register tapes did not agree with the breakdown on the bank deposit tickets and credit card deposit forms for 70% of the invoices tested.

Transactions must be entered into the register according to the correct department and payment category keys at all times. (Branch Operations Policies and Procedures Manual, Periodic Reconcilements Chapter) IC 5-13-6-1 states in part: "Public funds . . . shall be deposited in the same form in which they were received."

ATTENDANCE REPORTS

Attendance reports were not signed by the Branch Manager.

Employee attendance reports should be reviewed, signed and dated by the immediate supervisor of the employee. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 9:4)

INACCURATE TIME RECORDS

Sixty-seven percent of the weekly time records tested were mathematically inaccurate. The total hours worked column of the time record did not agree with the hours posted.

Employee weekly time records should be mathematically correct. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 9:4)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 184 AND 264
 NEW HAVEN, INDIANA
 EXAMINATION RESULTS AND COMMENTS
 (Continued)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2004. No evidence was found to indicate these items have been sold.

| <u>Year</u> | <u>Plate Type</u> | <u>Plate Number</u> |
|-------------|-----------------------|---------------------|
| 2004 | Semi-Trailer – 1 Year | 185 |
| 2004 | Semi-Trailer – 1 Year | 10274 |
| 2004 | Semi-Trailer – 1 Year | 10275 |
| 2004 | Semi-Trailer – 1 Year | 10726 |
| 2005 | Trailer 3,000 | 550630A |
| 2005 | Trailer 3,000 | 6640L |
| 2006 | Heritage Trust | WF6120 |
| 2007 | Passenger | 2AJ842 |
| 2007 | Passenger | 2AW249 |
| 2007 | Passenger | 2G1486 |
| 2007 | Personalized | HAWGON |
| 2007 | Personalized | 1TSN |
| 2007 | Truck 7,000 | 427876L |
| 2007 | Truck 7,000 | 428656L |
| 2008 | Semi-Trailer - Perm | 518672 |
| 2008 | Semi-Trailer - Perm | 586285 |

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 184 AND 264
NEW HAVEN, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2005, with Tersina L. Osborn, Branch Manager. The official concurred with our findings.